Illinois Department of Revenue

INFORMATIONAL BULLETIN

FY91-5 August 1990

+ CHANGES IN HOME RULE SALES TAX IN ELMWOOD PARK
Summary: Your sales tax rate is changing on September 1.
Remember to adjust your cash registers.

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|TO:|ALL RETAILERS AND +---+SERVICEPERSONS CONDUCTING BUSINESS IN ELMWOOD PARK

Elmwood Park has a new combined rate. home rule sales tax.
You should begin Elmwood Park will collecting this new rate from customers who buy from you on September 1 and afterward. combined rate.

Elmwood Park has a new combined rate.

Elmwood Park will a new ill sales tax on qualifying food, or and medical appliant afterward.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning on September 1, you will be collecting and paying the correct amounts.

We are responsible for administering this tax. You will report it on your regular ST-1 beginning with your September return (which is due October 31.)

Elmwood Park's new home rule sales tax rate is 1 percent on general merchandise. This will be combined with your current rate of 7 percent for a total general merchandise rate of 8 percent.

You will report receipts from this general merchandise tax on line 4a on the ST-1. Your preprinted return will show the correct combined rate.

Elmwood Park will also have a 1 percent home rule sales tax on qualifying food, drugs, and medical appliances. This will be combined with the current food and drug tax rate of 2 percent for a total food and drug rate of 3 percent.

You will report receipts from this food and drug tax on line 5a on the ST-1. Your preprinted return will show the correct combined rate.

WHAT DO I DO WHEN CUSTOMER PAYS ME AFTER SEPTEMBER 1 FOR A PURCHASE MADE EARLIER?

If the original purchase was made at a different tax rate from those rates in Line 4a and 5a, you must report these receipts on Line 8a of the ST-1.

WHAT'S NEW FOR AUTO DEALERS?

If you sell cars or other items that require a title, you should pay special attention. The home rule sales tax does not apply to these sales, and receipts from these sales will continue to be taxed at the current rate of 7 percent when reported on Form ST-556.

However, the rate of 8 percent reported on Form ST-1 will apply to receipts from sales of general merchandise, such as the parts you sell over the counter and the parts you use during service of motor vehicles and airplanes.

WHAT ELSE CHANGES?

This is a new tax for Elmwood Park and it has the same base for general merchandise and food and drugs as the state tax you are already familiar with. (The base refers to those items that are taxed. Any item that is exempt from state tax will also be exempt from this home rule tax.) The only real change is in the tax rate.

WHAT ARE MY SPECIAL FILING INSTRUCTIONS?

+ Monthly Filers

Your September return will be the first return to have combined rates. The due date is October 31, 1990, for the return for September 1990.

+ Quarterly Filers

You will have two returns for the third quarter. The return for July and August will be preprinted with the lower rates, and a return for September will be preprinted with the higher combined rates. The due date for both returns is October 31, 1990.

+ Annual Filers

You will have two returns for 1990. The return for January through August will be preprinted with the lower rates, and a return for September through December will be preprinted with the higher combined rates. The due date for both returns is January 31, 1991.

QUESTIONS?

If you have questions or need more information, please call or write us. Our telephone numbers and address are listed at the bottom of this bulletin.

FOR CALL: 1 800 732-8866 or INFORMATION 1 217 782-3336

WRITE: Illinois Department of Revenue

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